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RUEHTU/AMEMBASSY TUNIS PRIORITY 6958  
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RUEHJI/AMCONSUL JEDDAH PRIORITY 1782  
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STATE FOR NEA, NEA/IPA, NEA/PPD

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CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
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SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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[¶1.](#) Mideast

[¶2.](#) Iran

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Key stories in the media:  
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On August 30, The Jerusalem Post reported that, following the Jerusalem Post/Rafi Smith poll published on Friday, left-wing parties have lamented President Obama's unpopularity.

Media quoted PM Netanyahu as saying at yesterday's cabinet meeting that there has been no breakthrough in talks with Hamas to return Gilad Shalit, and that people should not expect a deal to be concluded in the coming days. Netanyahu was responding to a spate of recent media reports claiming that a deal was near. The media also reported that Hamas insisted yesterday that no quick agreement over Shalit is in sight: Osama al-Mzainy, the Hamas official in charge of the Shalit affair, was quoted as saying yesterday in an interview with Al Jazeera-TV that Hamas had rejected every Israeli request to exile some of the prisoners due to be released as part of the deal. Israel Radio quoted PA President Mahmoud Abbas as saying in an interview with Al Jazeera-TV that he will not meet with Netanyahu if Israel does not freeze construction in the settlements.

All media reported that yesterday Attorney-General Menachem Mazuz filed an indictment against former PM Ehud Olmert, marking the first time in the state's history that criminal charges have been brought against anyone who has held that office. Olmert's close aide for several decades, Shula Zaken, was also cited in the indictment, which covers four separate investigations -- the so-called Rishon Tours affair; Olmert's relations with his close friend, attorney Uri Messer, and U.S. financial backer Moshe Talansky; his alleged deceptions of the State Comptroller's Office; and Zaken's alleged wiretapping of Olmert's conversations.

The Jerusalem Post cited assessments reaching Jerusalem in recent days, according to which a spate of deadly bombs in Iraq this month that killed dozens of people has also significantly hampered the US-Syrian rapprochement. According to these assessments, the U.S. believes that some of those responsible for the wave of attacks, as well as some of the explosives that were used to carry them out, came across the border from Syria, and that Washington wants to see Syria take much stronger action to seal its border with Iraq.

Makor Rishon-Hatzofe quoted former Vice President Dick Cheney as saying in an interview with FOX News that he had favored an attack on Iran's nuclear installations, but that former President George Bush vetoed the plan.

Electronic media reported that three weeks ago, Shin Bet arrested Rawi Sultani, a 23-year-old Israeli Arab resident of the town of Tira who was allegedly recruited by Hizbullah in Morocco to assassinate IDF Chief of Staff Lt. Gen. Gabi Ashkenazi and other officials, in retaliation for the assassination of senior Hizbullah operative Imad Mugniyah.

Leading media reported that yesterday at least two mortar shells landed in the area surrounding Gaza.

Major media quoted Israeli government officials as saying yesterday, following Friday's release of an International Atomic Energy Agency (IAEA) report that was welcomed by Tehran as positive, that Israel wants the IAEA to release a classified report on Iran's alleged nuclear weapons experiments.

On August 30, The Jerusalem Post, in preparation for a non-conventional attack on Israel, the National Emergency Authority will hold the largest-ever exercise to train security forces how to respond to a city-wide biological attack. The drill will begin on January 1.

HaQaretz reported that the Military Police still have not concluded their investigation of the shooting to death of a handcuffed Palestinian man by an IDF soldier on January 13, at the time of Operation Cast Lead.

HaQaretz and The Jerusalem Post reported that yesterday Hamas condemned the U.N. over its apparent plan to teach Palestinian children in Gaza about the Holocaust. Hamas branded the Nazi genocide of the Jews a lie invented by the Zionists.

Major media reported that Fuad Shubaki, Yasser Arafat's money man and the brains behind the Karine A weapons ship, was sentenced by a military court to 20 years in prison.

Major media quoted Africa Israel Investments Ltd., the real-estate

company owned by diamond mogul Lev Leviev, as saying that it is seeking to restructure 21 billion shekels (around \$ 5.25 billion) of debt, sparking a 25% decline in its shares yesterday and pushing local bank stocks lower as well.

HaQaretz quoted Italy's FM Franco Frattini saying in a telephone conversation with the newspaper that he recently met with his Swedish counterpart, Carl Bildt, and that the two agreed that at a meeting of EU foreign ministers later this week, they will work to pass a resolution making it clear that the EU, under the Swedish presidency, strongly condemns anti-Semitism and will take action against any manifestation of it on the continent. Frattini said he intends to demand that the meeting's summary statement explicitly condemn the article published in the Swedish tabloid Aftonbladet, which claimed that Israeli soldiers harvested the organs of dead Palestinians. He said his proposed statement would declare articles of this sort to be "acts of blatant anti-Semitism." "There are limits to freedom of the press that stem from respect for the truth and the duty of every journalist to prove his claims," Frattini explained. The accusations in the Aftonbladet article are "terrible conclusions, lying and hurtful, and they have the power to assist all those who seek to incite against Jews or who oppose the existence of the State of Israel," he added. However, Frattini stressed, "The state cannot intervene in the work of the press. The journalists are the ones who must set limits for themselves and must find the right balance within the framework of the journalistic code of behavior."

The Jerusalem Post reported that, in an effort to upgrade its attack helicopter fleet, the IAF is conducting flight tests with a new version of the Black Hawk utility helicopter that has been equipped with offensive air-to-surface missile launchers.

The Jerusalem Post reported that yesterday Israeli Arab advocacy groups reacted sternly to an announcement from Education Minister Gideon Sa'ar (Likud) that the phrase QNakbaQ would be dropped from textbooks for the next school year, which begins on September 1.

On August 30, Yediot reported that Beirut Mayor Abdel Mounim Ariss denied having invited the Mayor of Haifa, Yona Yahav, to a congress of Mediterranean mayors in Lyon. Ariss appeared on Hizbulah's television channel in order to deny that such an invitation had been sent.

All media reported that yesterday the Education Ministry decided to immediately halt funding to the three private religious schools in Petah Tikva that refuse to enroll children of Ethiopian descent as the ministry instruction. Yesterday, PM Benjamin Netanyahu said in a joint interview to Israel Radio and IDF Radio that refusing to enroll the students is simply a Qmoral terror attack,Q something counter to Israel's entire ethos. (In the same interview, the PM defended Peace Now from the attack on in by his Vice Premier, Moshe Ya'alon, two weeks ago.)

Major media reported that, in an unprecedented bout of violence, six policemen were hurt and an ultra-Orthodox man injured by a car in a protest over the opening of a municipal parking lot in Jerusalem on the Sabbath.

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I. Mideast:  
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Block Quotes:  
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II. "Freeze in Jerusalem Too"

Senior op-ed writer Akiva Eldar commented in the independent, left-leaning Ha'aretz (8/31): QIf there is any truth in the reports that came out of Prime Minister Benjamin Netanyahu's trip to Europe -- that the United States agreed Israel can go on building in East Jerusalem -- the headlines should have read QObama has pulled out of the Middle East peace processQ.... A substantive change of such magnitude in the U.S. position regarding a national/religious issue that is so explosive would cause the negotiations between Israel and the Palestinians, among other efforts, to crash and burn. A precedent of this sort may bury the Arab Peace Initiative and with

it normalization of ties with the Muslim world. We must hope that the news that Obama has backtracked on East Jerusalem is merely the wishful thinking of opponents to a compromise that come from the western part of the city.

## II. "A Deal that Is a Defeat"

Defense commentator Amir Oren wrote in the independent, left-leaning Ha'aretz (8/31): QNetanyahu is a weak leader, although it is not yet clear whether he is weak enough to give in all along the line, from freezing settlements and evacuating outposts to the Shalit deal. On the first two issues, retreat would at least jibe with Israel's interests, though not with his ideology. But Netanyahu will not be there alone: Going along with the surrender will be Ehud Barak and Moshe Ya'alon and all of their cabinet colleagues who do not resign.... Olmert, followed by Netanyahu, and their mutual defense minister, Barak, never managed to create the intelligence and operational conditions for freeing Shalit. Nor did they find a lever with which to make it intolerable for Hamas to continue holding him captive. QMake no mistake,Q a top-level Israeli source familiar with the details of the talks on a prisoner exchange said over the weekend. QIf there is a deal, its final scene will be a victory for Hamas and a defeat for Israel.Q But despite the expectations that have been built up, it is still not too late to reexamine the slippery slope Israel is sliding down.

## III. "A New Era in Japan: How Will It Affect Israel?"

Retired Hebrew University Professor Ben-Ami Shillony, an expert on Japanese affairs, wrote in HaQaretz (8/31): QThe new [Japanese] government will attempt to forge a more independent foreign policy, involving closer ties with China and other Asian countries and more independence from the United States.... Withdrawing from American guardianship could also change Japanese policy toward Israel. Until now, Japan limited its support for the Palestinians to aiding economic projects, in keeping with American requests. The [Yukio] Hatoyama government is likely to take a more pro-Arab stance, such as by recognizing Hamas and making tougher demands of Israel, such as calling for an end to construction in the settlements. Such a position would be similar to the line taken by some European governments, and will not necessarily lead to a confrontation with the United States. The Obama administration may actually be pleased.... Hatoyama called himself the Japanese Obama in his election campaign, and said he would bring hoped-for change. When it comes to Israel, Obama and Hatoyama may coordinate efforts in ways Israel hasn't expected.

### 12. Iran:

#### Block Quotes:

## II. "IAEA Omissions Speak Loudest"

Intelligence affairs correspondent Yossi Melman wrote in the independent, left-leaning Ha'aretz (8/30): QAccording to the [new International Atomic Energy Agency] report [on IranQs nuclear program], the military dimension of the Iranian nuclear program is analyzed, and it discusses evidence that suggests that Iran has a military nuclear program, or at least that it has taken steps that imply that it is seeking nuclear weapons. But the report does not say this clearly. It does not even hint at it. The report lacks the bottom line, as is the case in every report of the IAEA on this issue. It comes out quarterly. In theory the preparation of the reports is the collective work of the organization's senior officers, who write on the basis of the field work of the organization's inspectors at the nuclear sites in Iran where they are allowed access. However, in practice the report and its ambiguous writing, is in the spirit of the outgoing head of the organization, Dr. Mohamed ElBaradei. Nonetheless, the IAEA reports and the struggle over their wording are a tool toward a more important goal. Israel, the U.S., and the European Union would like Russia and China to recognize that Iran is in contravention of its international obligations, and that it actions contradict its claims that its nuclear program is solely for civilian purposes. There is evidence that Iran has a military nuclear program, and the Western states want Moscow and Beijing to join the West in imposing tough

sanctions on Iran, especially the kind that target its soft economic underbelly -- its oil and gas industry.

## II. "Iran without the Bomb"

The conservative, independent Jerusalem Post editorialized (8/31): QThe appointment as defense minister of Ahmad Vahidi -- the man most likely responsible for the 1994 bombing of the Jewish center in Buenos Aires in which 85 people were killed and 200 wounded -- supplies yet further proof that the [Iranian] ruling clique has become more shameless, arrogant and unpredictable.... The generally well-informed Jim Hoagland of The Washington Post predicts that after much haggling, Iran will agree to stop short of building a bomb, but will insist on retaining its capability to do so. That would leave Iranian imperialism unchecked and perpetuate for generations the threat of an Iranian bomb. On Wednesday, the five permanent members of the UN Security Council plus Germany will meet in Frankfurt. Berlin and Paris have announced that stiffer economic penalties are in the offing if Iran does not end its quest for the bomb. Meanwhile, a new poll tells us that 81 percent of Americans feel Iran poses a serious threat to the United States; a survey last month found 66% feeling that President Barack Obama is not tough enough on Iran. Iran without the bomb is a certified menace. Perhaps the nightmarish consequences for Europe and America of a nuclear-armed Iran are, belatedly, starting to register.

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